

EYDAP

ATHENS WATER AND SEWERAGE COMPANY S.A. (E.YD.A.P.)

Company's Number in the General Electronic Commercial Registry : 121578960000

Domicile: Oropou 156 - 11146 Galatsi, Greece

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1st January 2019 to 31 December 2019

The information and financial data that derive from the financial statements below provide general information about the financial position and the results of EYDAP S.A. (the Company) and the Group. Therefore, we recommend the reader, before making any investment decision or proceeding to any transaction with the Group or the Company, to visit the Company's website where the financial statements according to International Financial Reporting Standards together with the auditor's report, when needed, are presented.

COMPANY INFORMATION

Ministerial Authority:

Ministry of Infrastructure & Transport

Corporate Web Site:

www.eydap.gr

Composition of Board of Directors:

Th. Varvarigou, Ch. Sahinis, An. Tosios, Aik. Beritsi, Al. Nasoufis, M. Stavroulakis, D. Konstantakopoulos, A. Amditis, Chr. Karaplis, Ch. Mistriotis, P. Skoularikis, Emman. Aggelakis, G. Alexandrakis

Date of Approval of Financial Statements:

from the Board of Directors:

27 May 2020

Chartered Auditors Accountants:

Panagiotis Christopoulos (SOEL Reg. No. 28481)

Auditing Company:

GRANT THORNTON A.E. (A.M. ΣΟΕΑ 127)

Audit Report from Chartered Auditor Accountants:

In agreement – Matter of Emphasis

STATEMENT OF FINANCIAL POSITION

Amounts in € thousand

GROUP

COMPANY

31.12.2019

31.12.2018

31.12.2019

31.12.2018

ASSETS

Tangible assets

799.219

825.402

799.219

825.402

Intangible assets

619

950

619

950

Right-of-use assets

3.607

0

3.607

0

Other noncurrent assets

102.964

100.939

104.174

102.149

Inventories

13.219

11.355

13.219

11.355

Trade Receivables & Contractual Assets

183.345

186.165

183.357

186.146

Other current assets

459.894

408.797

458.927

407.819

TOTAL ASSETS

1.562.867

1.533.608

1.563.122

1.533.821

EQUITY AND LIABILITIES

Share capital

63.900

63.900

63.900

63.900

Other Equity Items

887.240

885.327

887.484

885.531

Total Equity

951.140

949.227

951.384

949.431

Liabilities for employee benefits

339.184

300.115

339.184

300.115

Investment subsidies

143.000

147.272

143.000

147.272

Provisions/Other long-term liabilities

70.227

73.620

70.227

73.620

Other Short- term liabilities

59.316

63.374

59.327

63.383

Total liabilities

611.727

584.381

611.738

584.390

TOTAL EQUITY AND LIABILITIES

1.562.867

1.533.608

1.563.122

1.533.821

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in € thousand

GROUP

1.01-31.12.2019

1.01-31.12.2018

Turnover

323.750

322.413

Gross profit

163.290

139.980

Profit before tax, financial and investment results

70.537

63.125

Profit before tax

84.007

80.272

Profit after tax (A)

58.068

47.908

Other comprehensive income, net of tax (B)

(27.400)

(230)

Total Comprehensive income for the period (A+B)

30.668

47.678

Attributable to:

Shareholders

58.068

47.908

Basic earnings after taxes per share (in €)

0,55

0,45

Profit before tax, financial, investment results, depreciation and amortization

107.617

100.705

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in € thousand

COMPANY

1.01-31.12.2019

1.01-31.12.2018

Turnover

323.744

322.396

Gross profit

163.284

139.963

Profit before tax, financial and investment results

70.581

63.175

Profit before tax

84.047

80.314

Profit after tax (A)

58.108

47.950

Other comprehensive income, net of tax (B)

(27.400)

(230)

Total Comprehensive income for the period (A+B)

30.708

47.720

Attributable to:

Shareholders

58.108

47.950

Proposed dividend per share - (in €)

0,38

0,27

Profit before tax, financial, investment results, depreciation and amortization

107.661

100.755

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Amounts in € thousand

GROUP

COMPANY

31.12.2019

31.12.2018

31.12.2019

31.12.2018

Equity balance at the beginning of the period (01.01.2019 and 01.01.2018 respectively)

949.227

922.849

949.431

923.011

Profit of the year, after tax

58.068

47.908

58.108

47.950

Net income directly recorded to equity

(27.400)

(230)

(27.400)

(230)

Total comprehensive income after tax

30.668

47.678

30.708

47.720

Dividends Distributed

(28.755)

(21.300)

(28.755)

(21.300)

Equity balance at the end of the period (31.12.2019 and 31.12.2018 respectively)

951.140

949.227

951.384

949.431

CASH FLOW STATEMENT

Amounts in € thousand

GROUP

COMPANY

31.12.2019

31.12.2018

31.12.2019

31.12.2018

Cash Flows from operating activities

Profit before tax (continued activities)

84.007

80.272

84.047

80.314

Plus / minus adjustments for:

Depreciation and amortization

43.331

44.127

43.331

44.127

Amortization of subsidies

(7.046)

(6.548)

(7.046)

(6.548)

Depreciation of right-of-use assets

794

0

794

0

Reductions / transfers of tangible and intangible assets

(57)

(662)

(57)

(662)

Income from securities

(33)

(59)

(33)

(59)

Provisions for personnel compensation

(4.393)

1.628

(4.393)

1.628

Other Provisions

(1.869)

10.368

(1.869)

10.368

Credit Interest and related income

(18.879)

(21.818)

(18.874)

(21.810)

Debit Interest and related expense

5.442

4.730

5.442

4.730

Plus / minus adjustments for changes in working capital accounts or related to operating activities:

(Increase) Decrease in :

Trade Receivables & Contract Assets

865

5.534

863

5.519

Consumable materials and spare parts

(1.866)

(656)

(1.866)

(656)

Increase (Decrease) in :

Liabilities

1.671

1.125

1.653

1.162

Consumers' guarantees

124

101

124

101

Employee contribution for indemnity

2.007

1.959

2.007

1.959

Plus:

Surcharges of customers receivable

6.856

8.935

6.856

8.935

Minus:

Interest and related expenses paid

(346)

(232)

(346)

(232)

Income tax paid

(32.260)

(16.519)

(32.260)

(16.519)

Total cash inflows / (outflows) from operating activities (a)

78.348

112.285

78.373

112.357

Cash Flows from investing activities

Purchase of tangible assets

(16.158)

(15.413)

(16.158)

(15.413)

Purchase of intangible assets

(603)

(857)

(603)

(857)

Proceeds from subsidies

2.775

3.892

2.775

3.892

Interest income received

9.294

8.844

9.289

8.836

Dividends Received

33

59

33

59

Net cash inflows / (outflows) from investing activities (b)

(4.659)

(3.475)

(4.664)

(3.483)

Cash Flows from financing activities

Payments of lease liabilities

(849)

0

(849)

0

Dividends paid

(27.750)

(20.179)

(27.750)

(20.179)

Total cash inflows / (outflows) from financing activities (c)

(28.599)

(20.179)

(28.599)

(20.179)

Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)

45.090

88.631

45.110

88.695

Cash and cash equivalents, at the beginning of the period

383.552

294.921

382.615

293.920

Cash and cash equivalents, at the end of the period

428.642

383.552

427.725

382.615

ADDITIONAL DATA AND INFORMATION

1. The number of employees of the Group and the Company as of 31 December 2019 was 2,217 (31 December 2018: 2,234).

2. The provisions formed by the Company until 31 December 2019 concern: a) Lawsuits for civil cases against the Company of a total amount € 92.8 million, mainly relating to indemnities for damages from water flooding (due to pipelines fractures and rainfalls), as well as lawsuits from various counterparty suppliers and sub-contractors for violation of contractual terms. b) There are also pending litigations for labor differences of € 170.3 million approximately. Against the losses which may arise if the above ("a" and "b") pending litigations become irrevocably resolved, EYDAP has formed provisions of total amount € 48.9 million on 31 December 2019 versus € 55.1 million on 31 December 2018, which are deemed as adequate. c) Taxes for unaudited years of € 2.4 million as of 31 December 2019, as in the case of 31 December 2018 (note 11), and d) Other provisions for doubtful receivables (customers, contractual assets and debtors) and obsolete inventories of € 95.8 million as of 31 December 2018 versus € 93.3 million on 31 December 2018.

3. As described in the note 34 of the annual financial statements, the signing of a written agreement - as it is defined in the article 15 of the agreement on 09.12.1999 between the Greek State and the Company - which will determine the price paid for the collected crude water is pending from the year 2004. In absence of a written agreement, the Company continues to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", thus burdening its financial results.

4. The amounts of sales and purchases cumulatively from the beginning of the current period and the balances of receivables and liabilities of the Group and the Company at the end of the current period, which have been generated from related party transactions according to the definition of IAS 24, are as follows (amounts in € thousand):

GROUP

2019

2018

COMPANY

2019

2018

i) Income

59.539

58.488

59.539

58.488

ii) Expenses

20.083

19.625

20.083

19.625

iii) Dividend payments

17.636

13.064

17.636

13.064

iv) Receivables

58.420

56.656

58.439

56.656

v) Liabilities

3.535

1.442

3.535

1.442

vi) Remuneration and compensation of Board Members and senior executives

455

437

455

437

5. In the current financial year, the following were recorded: a) in the "Other total comprehensive income after taxes" an income of Euro 909 thousand which concerns a change in the fair value of financial assets (note 18), b) an actuarial loss Euro 28,309 thousand after taxes from defined benefit plans according to the revised IAS 19.

6. With the exception of the events presented in 33 of the financial statements, no material event has occurred that could significantly affect the financial structure or the business course of the Company and the Group from 31.12.2019 until the approval date of the financial statements by the Company's Board of Directors.

7. Apart from EYDAP, the consolidated financial statements include ISLANDS' EYDAP DEVELOPMENT S.A. with domicile in Athens. EYDAP holds 100% of the company's share capital. ISLANDS' EYDAP DEVELOPMENT S.A. was consolidated according to the full consolidation method and as a result no minority interests were recorded. The website of ISLANDS' EYDAP DEVELOPMENT S.A. is www.eydapnison.gr.

8. The basic accounting principles and the significant accounting judgments followed and / or made by the Management are the same with the ones applied in the annual financial statements of the Company for the fiscal year ended on 31st December 2018, except for the adoption of the new financial reporting standards as described in note 41 of the annual financial statements.

9. The matter of emphasis of the certified auditors is the following: "We draw your attention to note 34.1 to the financial statements regarding the determining of the price of raw water supplied to the company by the Greek State. In the absence of a written agreement determining the above cost, the Company continued for the period from 30.6.2013 to 31.12.2019, as provided for by article 15 of the contract with the Greek State dated as at 09.12.1999, to offset the raw water cost against the cost of services rendered for maintenance and operation of the fixed assets of "L.E.P.L. EYDAP Fixed Assets" fulfilling this way its relevant obligation. Based on the data in the letter of the Greek State, disclosed within 2019, it has been estimated that the latter (i.e. the Greek State) demanded an additional amount standing at approximately € 266 m as far as the aforementioned period is concerned, with EYDAP S.A. expressing its opposition to this claim. The company is at the stage of negotiating with the Greek State the final determination of the cost of the raw water. However, in view of significant disagreement between the contractual parties regarding the financial, technical and legal criteria that should be taken into account, as at the current stage, it is not possible to assess the outcome of this particular matter. Our opinion is not qualified in respect of this matter".

Athens, 27 May 2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THEODORA AND. VARVARIGOU

THE CHIEF EXECUTIVE OFFICER

CHARALAMBOS GEORG. SAHINIS

THE DIRECTOR OF THE ECONOMIC DEPARTMENT

LEMONIA MARK. SKYLAKI

THE CHIEF ACCOUNTANT SUPERVISOR

DIMITRA VAS. ZARKADOULA

ID No. AM 519989

ID No. I 164660

ID No. AO 010837

ID No. AB 253061

Economic Chamber of Greece Accounting License Reg. No. A/17806

Economic Chamber of Greece Accounting License Reg. No. A/112285